



FY 2022/23 Financial Audit Results

Bryce Rojas, CPA

Cropper Accountancy Corporation (City's External Auditor)

Council Meeting

December 19, 2023

Background

Annual external audit of basic financial statements is required to comply with legal and regulatory requirements.

Cropper Accountancy Corporation is the CPA firm serving the City as the external auditor.

Bryce Rojas, CPA is your audit partner. Our office is located in Walnut Creek.



Fiscal 22/23 Financial Audit

Key Findings

- “Unmodified” or “clean” opinion issued by auditor represents highest quality outcome.
- The City increased its net position to \$46.54 million on June 30, 2023. The unrestricted net position was \$5.94 million.
- The City’s *General Fund Revenues* were \$5.410 million and \$5.594 million in expenditures resulting in a \$183k deficiency of revenues over expenditures.
The General Fund received a \$1.467 million transfer from the American Rescue Plan Act fund, resulting in an increase in fund balance of \$1.330m.
- Ultimately, the City increased its net position by \$758k.



Fiscal 22/23 Financial Audit Memorandum on Internal Control

- Material weaknesses identified in City's internal controls
 - Continuity of personnel
 - Agency funds
- Opportunities to Strengthen Internal Controls and Operating Efficiency
 - No additional opportunities noted



Fiscal 22/23 Financial Audit Financial Highlights

Total Net Position = \$46.539 million

- Net investment in capital assets = \$30.265 million
- Restricted for special projects and programs = \$10.330 million
- Unrestricted net position = \$5.944 million

Change in Net Position = \$758k increase

Total General Fund Balance = \$7.744 million

- Non-spendable= \$191k
- Committed= \$1.562 million
- Unassigned= \$5.991 million

Change in General Fund fund balance = \$1.331 million



FY 22/23 Government-Wide Revenues

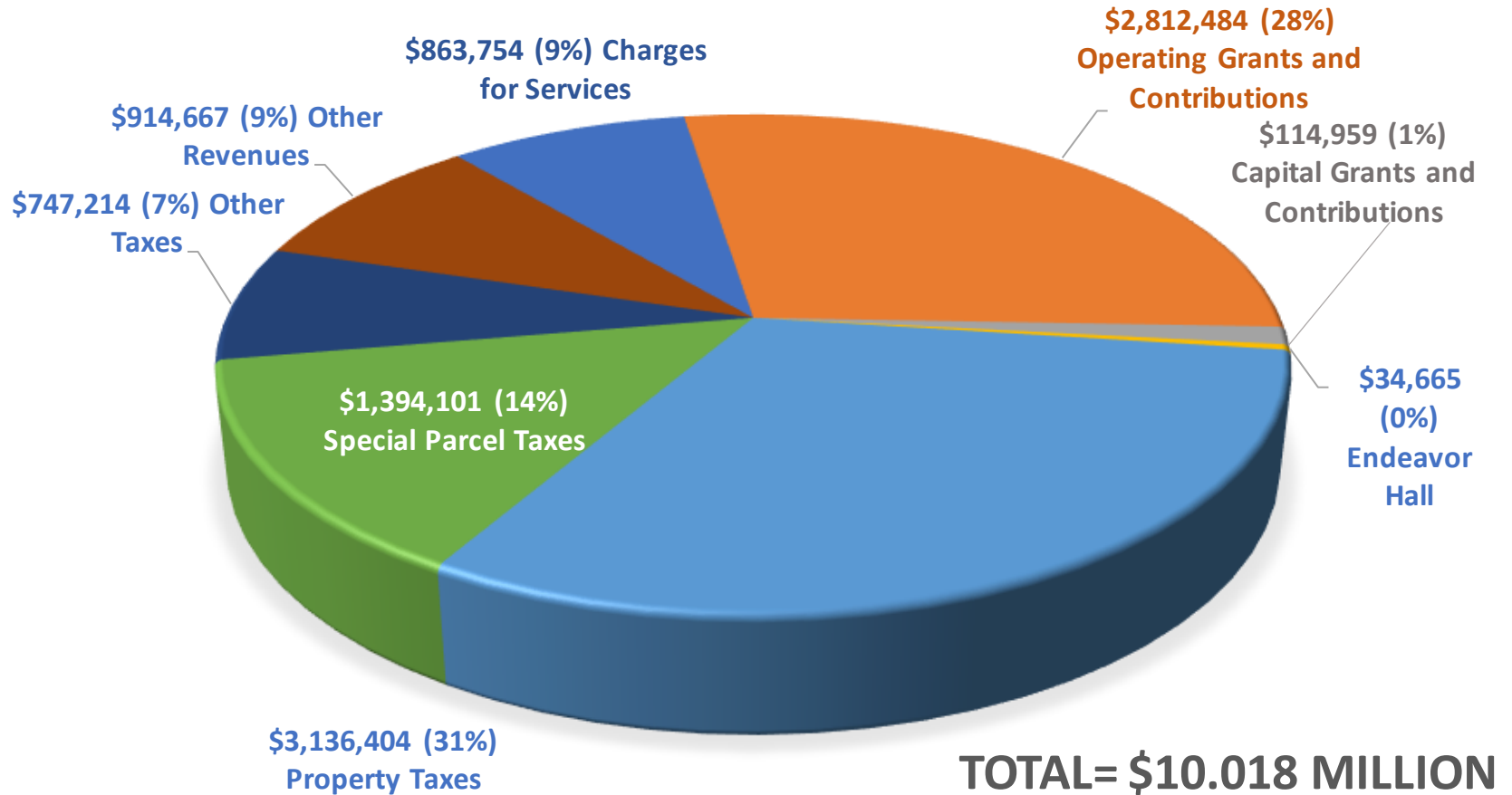
	<u>2023</u>	<u>2022</u>	YTY Change	%
Charges for Services	\$863,754	\$1,002,338	\$(138,584)	14%
Operating Grants and Contributions	2,812,484	2,755,382	57,102	2%
Capital Grants and Contributions	114,959	120,774	(5,815)	(5)%
Endeavor Hall	34,665	16,847	17,818	106%
Property Taxes	3,136,404	2,846,766	289,638	10%
Special Parcel Taxes	1,394,101	1,348,657	45,444	3%
Other Taxes	747,214	726,789	20,425	3%
Other Revenues	914,667	542,151	372,516	69%
Total Revenues	10,018,248	9,359,704	658,544	7%

Operating Grants and Contributions – 2023

ARPA Grant = \$1,467,024, Other Grants = \$1,345,460



FY22/23 Government-Wide Revenues

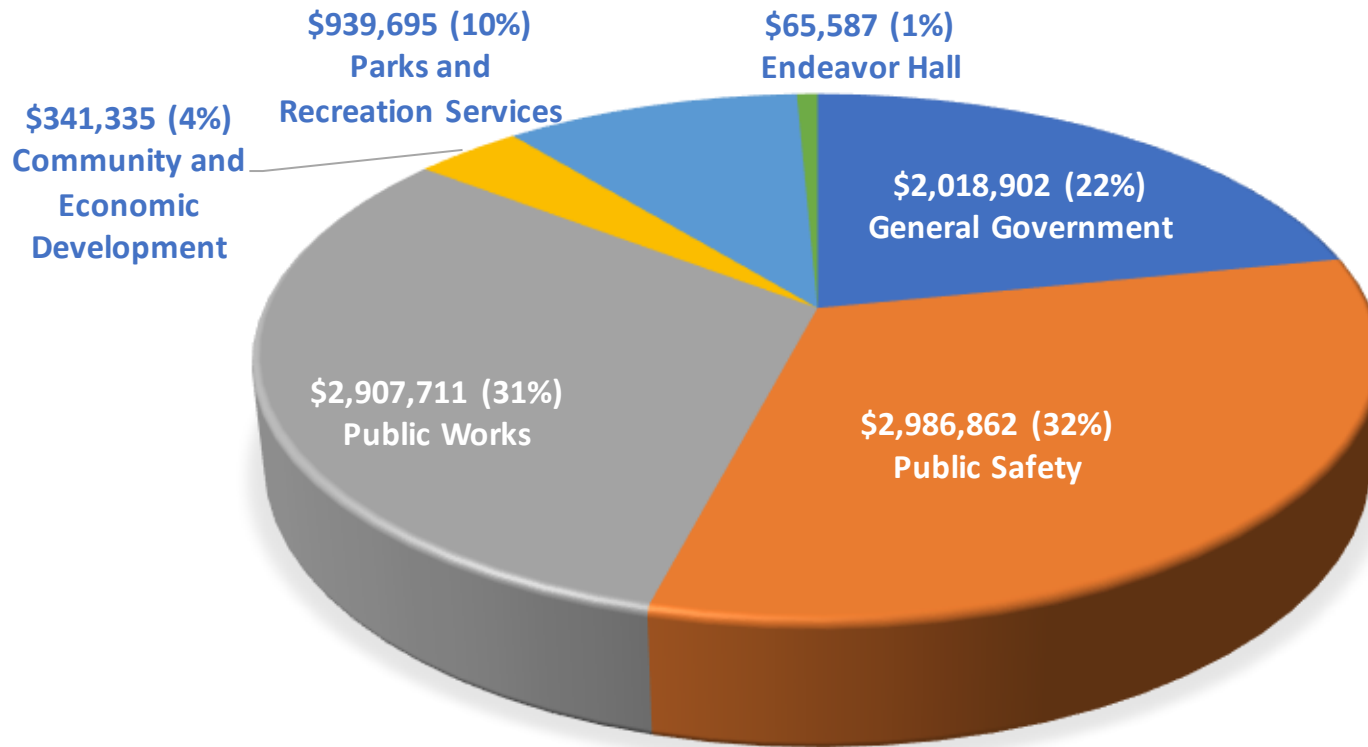


FY 22/23 Government-Wide Expenses

	<u>2023</u>	<u>2022</u>	YTY Change	%
General government	\$2,018,902	\$2,629,048	\$(610,146)	(23)%
Public safety	2,986,862	2,736,817	250,045	9%
Public works	2,907,711	2,509,096	398,615	16%
Community and economic development	341,335	356,450	(15,115)	(4)%
Parks and recreation services	939,695	729,729	209,966	29%
Endeavor Hall	65,587	60,694	4,893	8%
Total Government-wide Expenses	9,260,092	9,021,834	238,258	3%



FY22/23 Expenses by Major Category



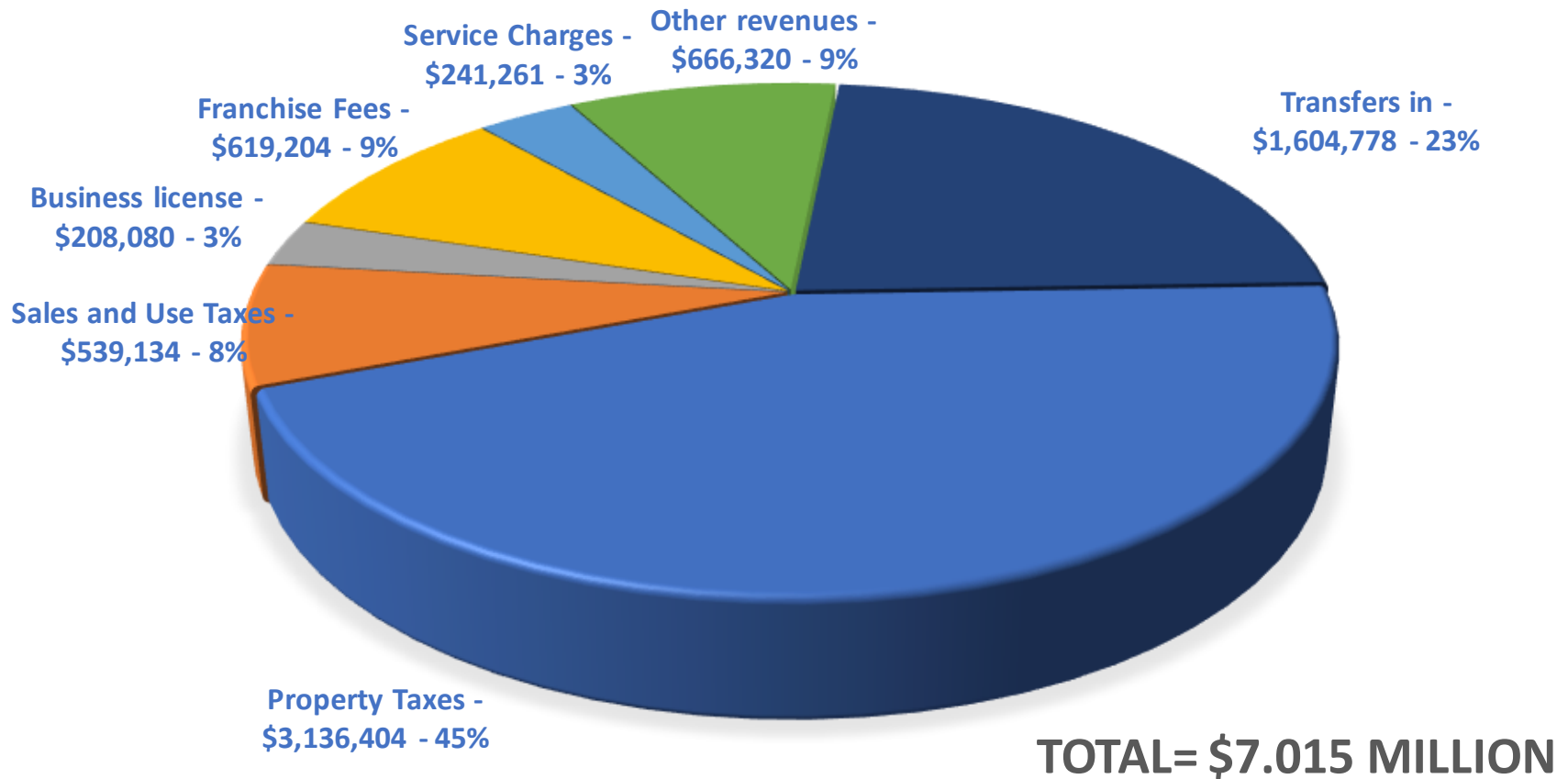
TOTAL= \$9.022 MILLION

FY 22/23 General Fund Revenues

	<u>2023</u>	<u>2022</u>	YTY Change	%
Property taxes	\$3,136,404	\$2,846,766	\$289,638	10%
Sales and use taxes	539,134	563,908	(24,774)	(4)%
Business license	208,080	162,881	45,199	28%
Franchise Fees	619,204	587,740	31,464	5%
Service charges	241,261	305,645	(64,384)	(21)%
Other revenues	660,320	430,934	235,383	55%
Transfers in	1,604,778	1,597,681	7,097	0%
Total Revenues and Transfers	\$7,015,181	\$6,495,558	\$519,623	8%



FY22/23 General Fund Revenues

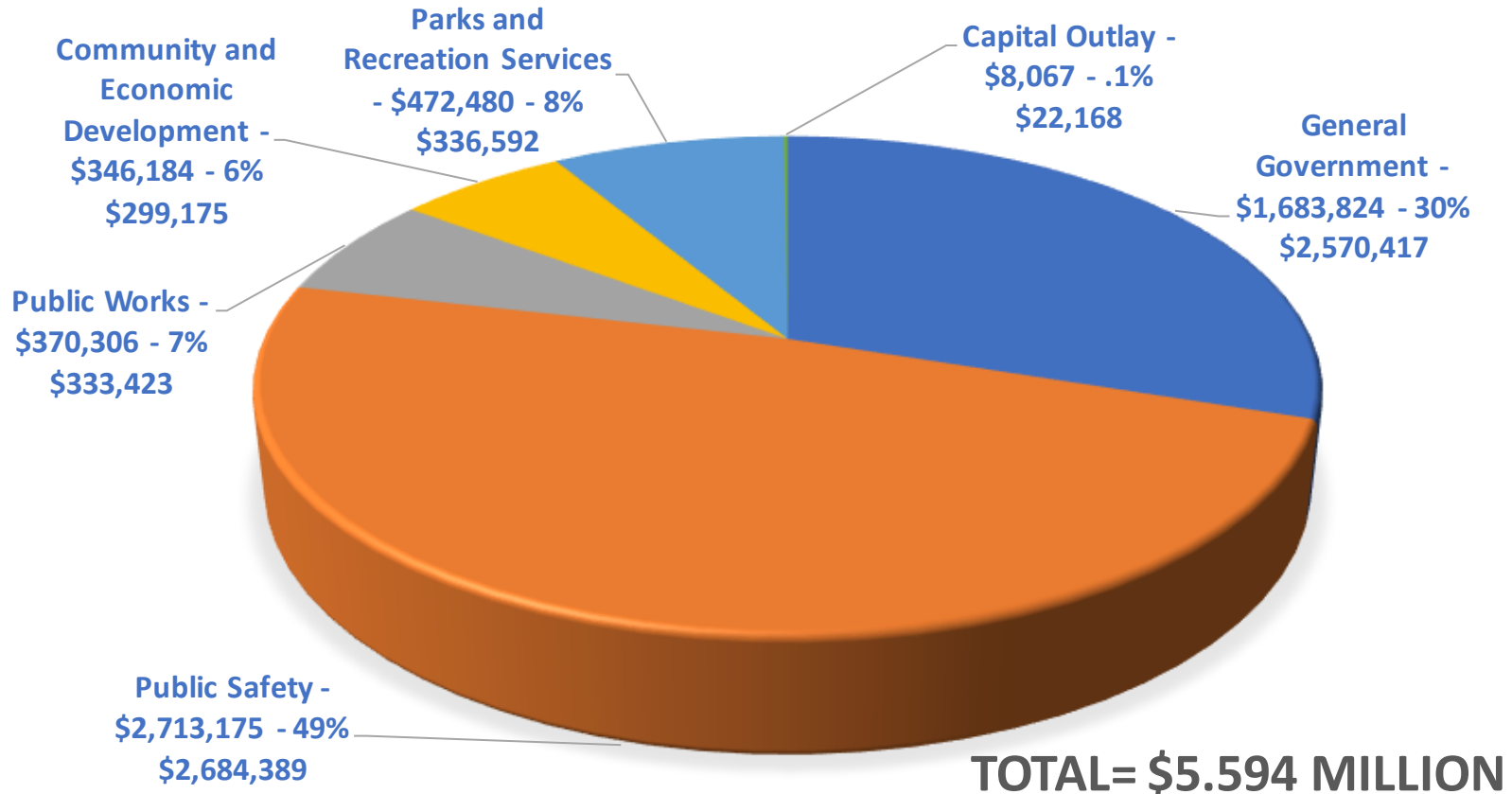


FY 22/23 General Fund Expenditures

	<u>2023</u>	<u>2022</u>	YTY Change	%
General government	\$1,683,824	\$2,570,417	\$(886,593)	(34)%
Public safety	2,713,175	2,684,319	28,856	1%
Public works	370,306	333,423	36,883	11%
Community and economic development	346,184	299,175	47,009	16%
Parks and recreation services	472,480	336,592	135,888	40%
Capital outlay	8,067	22,168	(14,101)	(64)%
Total Expenses	\$5,594,036	\$6,246,094	\$(652,058)	(10)%



FY21/22 Expenses by Major Category



FY 22/23 General Fund Expenditures

	<u>General Fund</u>	<u>Rainy Day Fund</u>	<u>Pandemic Recovery Reserve</u>	<u>Total</u>
General government	\$1,493,937	\$50,794	\$139,093	\$1,693,824
Public safety	2,713,175	-	-	2,713,175
Public works	370,306	-	-	370,306
Community and economic development	346,184	-	-	346,184
Parks and recreation services	472,480	-	-	472,480
Capital outlay	-	-	8,067	8,067
Total Expenditures	\$5,396,082	\$50,794	\$147,160	\$5,594,036



Additional Notes

- PENSION under GASB 68 (9th year)
 - Net Pension Liability = \$6,327,815
 - Deferred Outflows = \$3,165,399
 - Deferred Inflows = \$685,716

- OPEB under GASB 75 (6th year)
 - Net OPEB Liability = \$601,984
 - Deferred Outflows = \$0
 - Deferred Inflows = \$0

- Leases under GASB 87 (2nd year) and SBITAs under GASB 96 (1st year)
 - Right-of-use asset = \$340,483
 - Accumulated amortization = \$114,781
 - Lease and SBITA Payable = \$241,015



Any Questions?

